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Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 9.35 a.m.

Agenda item 126: United Nations common system (*continued*) (A/58/30)

1. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, emphasized that improvement of human resources management was a critical element of reform. The proposed changes to the pay and benefits system should lead to a more streamlined and dynamic system that was responsive to the changing nature of work in the organizations of the common system.

2. The delegations of Australia, Canada and New Zealand welcomed the revision of the job classification system, which would result in a simpler and more flexible classification system for Professional posts.

3. The International Civil Service Commission (ICSC) noted in paragraph 70 of its report that there was a tremendous amount of work to be done before pay could be linked to performance in most organizations; that should be a high priority since, under the current arrangements, length of service mattered more than performance. In addition, all the organizations should be working towards the implementation and refinement of fair and transparent performance evaluation systems.

4. There was merit in the proposal in paragraph 72 of the report concerning the conduct of a pilot study of a pay-for-performance system. Such a study could begin with managers, given the importance of enhanced management in the overall reform process. The excessive number of steps in the Professional salary scale was a related problem that also needed to be addressed.

5. The delegations had already expressed interest in 2002 in a broadbanding system, which would offer greater flexibility and would enable staff to be deployed in a less hierarchical structure. However, before such a system could be put in place, progress would have to be made with respect to performance evaluation and performance-related pay. Much remained to be done in those areas, and the Commission should be encouraged to continue working towards a solid framework for the pilot study on broadbanding. Whatever the Commission decided, the pilot study should be conducted on the basis of a comprehensive plan, with a project manager financed by ICSC from its own budget.

6. The delegations were pleased to note that the Chief Executives Board was currently considering the establishment of a senior management service; that should help to strengthen the organizations' managerial capacity.

7. Mobility, which was a means of developing a versatile, multi-skilled and experienced international civil service, was a key element of reform. The Commission's plan to propose programmes to enhance mobility, both between and within duty stations, was therefore welcome.

8. The delegations supported the Commission's recommendation that the nationwide General Schedule of the United States federal civil service should be used as a reference point for the United Nations base/floor salary scale, and they trusted that the reviews of the mobility and hardship allowances would be conducted in the context of a comprehensive review of all allowances.

9. Lastly, they would be grateful for information on the panel charged with examining ways of improving and strengthening the contribution of ICSC. Amongst other things, they wished to know the composition of the panel, its programme of work and whether it had already met.

10. **Ms. Nakian** (United States of America) commended ICSC for its efforts to improve the conditions of service of United Nations staff. She noted with satisfaction the expected introduction on 1 January 2004 of the new job classification system and she looked forward to the reports that were to be presented on the status of implementation and the effectiveness of the new system.

11. Her delegation noted the progress made in exploring the broadbanding. However, it was not certain that such a concept could succeed in the common system, and it questioned whether the models chosen to test it were the most appropriate. Given that broadbanding did not distinguish between degrees of responsibility and difficulty of work within a band, it also wondered how staff would know whether an advertised job entailed less or greater responsibility than their current job. The existing seven-grade structure should be maintained so that it was possible

to compare job levels both within and outside the system and to track career progression.

12. Her delegation looked forward to the outcome of the pilot study and urged the Commission to test the models over a longer period so as better to evaluate the impact of broadbanding on the structures and mandates of common system organizations. However, before broadbanding could be seriously contemplated, the organizations must put in place effective pay-for-performance systems; that presupposed an acceptable performance appraisal system and well-trained managers. Her delegation was concerned about the concept of ratings based on several weighted criteria, including competencies and urged the establishment of controls in that area.

13. Concerning hazard pay, an issue that required a decision from the Committee, her delegation continued to question the justification for the recommendation of ICSC that from 1 January 2003 the hazard pay granted to locally recruited staff should be increased to 30 per cent of the midpoint of the local salary scales. It believed that increasing hazard pay was not the best means of dealing with hazardous working conditions and that the United Nations should focus its resources on improving the overall security of its personnel. Much remained to be done in that area, and it should be a top priority for the common system organizations. Her delegation also feared that the proposed increase would undermine the equitable relationship between the allowances paid to Professional and General Service staff and would be at odds with the symbolic nature of the benefit since, for some staff, hazard pay could exceed total salary.

14. **Mr. Hao** Bin (China) said that his delegation commended the International Civil Service Commission for its extensive consultations and for involving representatives of the United Nations System Chief Executives Board for Coordination (CEB) and of the staff unions in its work.

15. The delegation of China noted that after more than a year's work, the new job evaluation system for Professional and higher categories had evolved from a conceptual framework into something more concrete. Initial testing had shown positive results. It hoped that the new system could help to better reflect the performance, contribution and core competencies of staff members. It encouraged ICSC to consult all interested parties, especially common system organizations, to ensure that the new system was introduced on schedule. It looked forward to clarification from ICSC of the actual effect of the new system on participating organizations.

16. China supported reform of the current pay system, which should lead eventually to the establishment of a performance pay system, and welcomed the pilot project to link pay with performance.

17. China welcomed the participation of a number of organizations in the pilot study for the broadbanding system and was interested in seeing satisfactory results. It wished to stress, however, that the budgetary ceiling must be kept at the current level and wished to know how ICSC planned to fund the post of a project manager to oversee the pilot study and what would be the grade level and expected duration of the post.

18. China supported an equitable hazard pay system. Staff working at duty stations where living conditions were harsh or even dangerous were a valuable asset to the Organization and should be entitled to such pay. However, it seemed somewhat arbitrary to set hazard pay at 30 per cent of the midpoint of the local salary scale. His delegation would like to know the grounds for the increase.

19. Mobility was an integral part of the careers of international civil servants and should be considered for promotion. China supported the recommendations of ICSC to change the organizational culture with regard to mobility, to clearly define various types of mobility and to include mobility in the terms of contract.

20. China understood the importance of meeting staff members' work/life needs. All organizations should try to resolve problems arising in that regard and ICSC could also provide general guidance. However, the issue of spouse employment involved many practical problems and there was not much that the United Nations could do. China could not agree to treating that issue as a priority, which could only legitimize it as an excuse against mobility.

21. **Mr. Iosifov** (Russian Federation) welcomed the efforts of ICSC to carry out pay reform on a scale unprecedented in the Organization, and encouraged it to continue its work.

22. His delegation attached great importance to the pilot study, which should allow new salary models to